

**Opening Statement  
Chairman Dan Burton  
Committee on Government Reform  
July 27, 2000**

Good morning.

Sometimes, when you're involved in a Congressional investigation, you come across things you don't expect. You start investigating one subject, you stumble onto something else that's important.

In 1996, during our investigation of the White House Travel Office firings, Filegate was uncovered -- we discovered that the White House had ordered FBI files on hundreds of Republicans. So we looked into it.

In 1999, when we immunized Johnny Chung, we discovered that an official at the U.S. Embassy in Beijing was selling visas. So we looked into it.

This is a healthy process. Problems are exposed to the light of day, they get the attention they deserve, and hopefully, they get fixed.

Today, we have a similar situation. We were investigating illegal fundraising activities in Florida. They involved the Castro family of Venezuela and a lawyer named Charles Intriago. In the process, we uncovered another matter that deserved our attention.

This is a very unusual story:

- It starts with an obscure dispute between two Buddhist groups in Japan.
  - The story then shifts to Miami, where an influential friend of the Attorney General is hired.
  - Then we have private investigators getting confidential criminal records from Justice Department sources.
  - Then we have a furious lobbying campaign aimed at the Attorney General's office.
  - And at the end of the story, we have the Associate Attorney General overturning decades of Justice Department precedent to reveal whether the Justice Department knew if a Japanese citizen was arrested in Seattle in 1963.
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- Laws were broken.  
Favors were done.  
Policies were ignored.

Now, political favors are nothing new. It happens in Congress. It happens at the White House. It's an unfortunate fact of life in this town. But if there's one place where political favors shouldn't happen, it's at the Justice Department. And if there's one thing that shouldn't be handed out to political friends, it's criminal records of other people. That's why this story is important.

We've interviewed a number of people. We've reviewed a lot of documents. I'm going to briefly summarize the story as I understand it.

There are two Buddhist organizations in Japan. They had a falling out. The leader of one group was accused of soliciting a prostitute in Seattle in 1963. He filed a defamation lawsuit. It's now a bitter, bitter feud with a lot of money at stake.

One key to this whole case was whether any documentation could be found that this man, Nobuo Abe, solicited a prostitute over 30 years ago. One side hired an American lawyer. Not just any lawyer -- a friend of the Attorney General -- Rebekah Poston -- from the Attorney General's old law firm in Miami.

Ms. Poston hired two private investigators. Their job was to get someone in the Justice Department to look up this information in the National Criminal Information Center (NCIC) database and leak it to them. According to their memos, which we've reviewed, they were successful. According to their own memos, they got sources at the FBI to give them the information. One of the investigators, Richard Lucas, sent Ms. Poston a memo that said the following:

*"A source was contacted and provided the following information: ... The source relayed that under the data provided there was a reference to 'Solicitation of Prostitution, Seattle Police Department, March 1963.'"*

Ms. Poston then sent a letter to her client that said this:

*"PMRG (the private investigators) reported to us on November 17, 1994, that a source within the U.S. government in Washington, D.C. was contacted and the source confirmed that there is a record for Nobuo Abe."*

The problem is that's against the law.

So Ms. Poston decided she'd try to get the information legally so she could use it in court. She filed a Freedom of Information Act request. She was denied. It's against the Department's policy to give out criminal information from the database -- or to even confirm or deny whether these records exist. She appealed. It was denied.

At this point, she decided to take matters right to the Attorney General's office. According to her billing records, she contacted high-level Justice Department officials 22 times in the first half of 1995. Most of those contacts were with the Attorney General's chief of staff, John Hogan. As a result, she got a meeting with Associate Attorney General John Schmidt.

Mr. Schmidt was advised that there is a long-standing policy not to confirm or deny the existence of any information in the National Criminal Information Center (NCIC) database. Mr. Schmidt overrode that policy and ordered his staff to give the information to Ms. Poston.

Interestingly enough, it appears that by this time, the information had been deleted from the database. That issue remains a mystery to this day.

In my view, there are three problems here:

1. The third-highest official at the Justice Department made a decision to disregard an important policy -- one that protects the confidentiality of law-enforcement records -- for no better reason than that a well-connected lawyer wanted it.
2. Justice Department employees were leaking criminal records -- not once, not twice, but three times -- in violation of the law.
3. The FBI was informed of this fact, and they refused to investigate. One of the two private investigators -- Richard Lucas -- went to the FBI and offered them all of the information -- information that was incriminating to himself. I have copies of three letters from the FBI refusing to even look into it. For some reason, Mr. Lucas wasn't even interviewed.

I will say this about Mr. Lucas. I don't condone what he did. I think he made some mistakes. But at least he came forward and admitted what he did. He has cooperated with this committee, and it isn't every day that we get that kind of cooperation.

Now, one might look at this and say, 'what's the big deal?' On the surface, this may seem like a fairly insignificant event. After all, this Committee has published Justice Department documents on its website. Well, the reason for that is that this Committee has oversight responsibilities. We have an obligation to oversee the executive branch on behalf of the American people. If we believe that laws aren't being faithfully executed, it's our job to look into it. And when we find wrong-doing, it's our job to inform the American people.

That's not what Rebekah Poston was doing. She was paid to dig up dirt on a foreign national.

Even with all of our responsibilities, getting information out of the Justice Department is like pulling teeth. I wish I had a dollar for every time a Justice Department official told me they couldn't confirm or deny something. I've sat through briefings where it seems like that's all they said -- because of the same policy.

Here's why this is important: The Justice Department is the guardian of sensitive criminal records. Those records are in the database to assist law enforcement agencies all over the country. It's for law-enforcement purposes and law-enforcement purposes only. It's not there for influential lawyers who have contacts and want to dig up dirt on people for lawsuits.

The public has a right to expect the Department to protect sensitive law enforcement information. But when Justice Department employees give out information to private investigators for nefarious purposes, that trust is eroded. When senior officials set aside long-standing policies for the privileged few, that trust is eroded.

The Justice Department is one of the most powerful institutions in this country. They have the power to prosecute people and put them in jail. They can force people to run up hundreds of thousands or millions of dollars in legal bills. The one thing that the Justice Department must have, beyond all others, is the public's trust. The actions of the Department must be above reproach.

So while this may not seem like the most significant event in the world, its ramifications are real. In this instance, the target was a religious leader from Japan. The next time, it could be any one of us.

Ms. Poston is here today. She has met with Committee staff. She has answered some questions. She has refused to answer many others. We've been informed that she may exercise her Fifth Amendment right not to testify today. I hope that won't be the case. We have questions we want to ask, and I hope we can get some answers.

The two private investigators employed by Ms. Poston are also here -- Mr. Manuel and Mr. Lucas. They will testify along with Ms. Poston.

On the second panel, we have Mr. Schmidt, Mr. Hogan, and the Director of the Department's Office of Information, Mr. Huff. Mr. Huff interrupted a family vacation to be here today, which I'm sure he didn't want to do, but we are appreciative.

We look forward to receiving testimony from all of you.

I now yield to Mr. Waxman for his opening statement.